19th August 1955]

Sri M. NARAYANA KURUP :—" The Government have accepted it, Sir."

DEPUTY SPEAKER :—" I thought Government were moving an amendment. The question is that—

' The Madras Bhoodan Yagna Bill, 1955, be referred to a Select Committee consisting of the following members :—

1 The Hon. Sri B. Parameswaran.
2 ,, C. Subramaniam.
3 Sri K. Rajaram.
4 ,, M. G. Shanker.
5 ,, R. Krishnaswami Naidu.
6 ,, N. Ramakrishnan.
7 ,, V. Muthu.
8 ,, A. Ramachandra Reddiar.
9 ,, A. Veloo
10 ,, S. Swayamprakasam.
11 ,, M. Narayana Kurup.
12 ,, K. Kunhi Mohamed Shafee.
13 ,, P. K. Gopalakrishnan.
14 ,, C. Kandasamy.
15 ,, M. Palaniyandi. ' "

The motion was carried.

DEPUTY SPEAKER :—" I nominate the Hon. Sri B. Parameswaran to be Chairman of the Committee."

VI.—GOVERNMENT RESOLUTION

AMENDMENTS TO THE MADRAS GENERAL SALES TAX (TURNOVER AND ASSESSMENT) RULES, 1939. 12-20 p.m.

* THE HON. SRI M. A. MANICKAVELU :—" Sir, I move—

' That the following draft amendments to the Madras General Sales Tax (Turnover and Assessment) Rules, 1939 (published with Revenue Department Notification No. 818, dated the 12th September 1939, at pages 1–5 of the Extraordinary issue of the *Fort St. George Gazette*, dated the 15th September 1939, as subsequently amended), which it is proposed to make in exercise of the powers conferred by section 3, sub-sections (4) and (5) of the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), be approved.

Amendment (1) (ii) shall be deemed to have come into effect on the 1st April 1954. Amendment (2) shall be deemed to have come into force on the 23rd August 1954. Amendments (1) (i), (3) (ii) and (iv), (4), (5), (6), (8), (9), (11), (12), (13) and (17) shall be deemed to have come into force on the 1st April 1955.

Amendments (3) (iii), (10) and (14) shall come into force with effect on and from 1st October 1955.' "

[Sri M. A. Manickavelu] [19th August 1955

DRAFT AMENDMENTS.

In the said rules—

(1) in rule 4—

(i) in sub-rule (2), for clauses (*d*) and (*e*), the following clause shall be substituted, namely :—

" (*d*) untanned hides and skins ";

(ii) in sub-rule (3), item (*f*) shall be relettered as item (*g*) and before the item as so relettered, the following item shall be inserted, namely :—

" (*f*) in the case of tailoring contracts 70 ";

(2) rule 4-B shall be omitted;

(3) in sub-rule (1) of rule 5—

(i) in the opening paragraph, for the brackets, letters and word " (*a*) to (*l*) ", the brackets, letters and word " (*a*) to (*k*) " shall be substituted;

(ii) for clause (*e*), the following clause shall be substituted, namely :—

" (*e*) all amounts for which goods exempted under section 5 are sold provided that the transactions are by virtue of the Act or these rules, exempt from taxation under the Act ";

(iii) clause (*k*) shall be omitted;

(iv) clause (*l*) shall be omitted;

(4) for sub-rule (3) of rule 5, the following shall be substituted, namely :—

" (3) For the purpose of determining whether a dealer is eligible for exemption under section 3 (3), the turnover as defined in clause (i) of section 2 shall be taken into consideration ";

(5) in rule 6—

(i) in sub-rule (1), for the word " net " occurring after the word " estimated " the word " gross " shall be substituted;

(ii) in sub-rule (2), for the word " net " in the two places where it occurs the word " gross " shall be substituted;

(6) in sub-rule (1) of rule 11—

(i) in paragraph 2, for the word " net " occurring after the words " who has a " the word " gross " shall be substituted;

(ii) after the first proviso, the following shall be added as second proviso, namely :—

" Provided further that every dealer liable to submit a return in Form A under this sub-rule or the first

19th August 1955] [Sri M. A. Manickavelu]

proviso thereunder shall submit along with the return a receipt from a Government treasury or a crossed cheque in favour of the assessing authority for the full amount of tax due for the year on the basis of the return after deducting therefrom the provisional tax, if any, paid already for the year, failing which the assessing authority shall serve upon the dealer a notice in Form B-1A and the dealer shall pay the sum demanded at the time and in the manner specified therein." ;

(7) in rule 13-B—

for the words " Every dealer in this State who buys goods from any non-resident dealer for the purpose of consumption " occurring in the first sentence, the following words shall be substituted, namely :—

" Every registered dealer in this State who buys goods from any non-resident dealer for the purpose of consumption in this State." ;

(8) in rule 15—

(i) in sub-rule (1), for the expression " licensed tanners and other licensed dealers in hides or skins in respect of their dealings in hides or skins " the expression " dealers in hides and/or skins whether tanned or untanned in respect of their dealings in such hides and/or skins " shall be substituted ;

(ii) in sub-rule (2), for the first sentence the following sentence shall be substituted, namely :—

" Every dealer in hides and/or skins whether tanned or untanned whose gross turnover for a year has been or is expected to be not less than Rs. 10,000 shall submit so as to reach the assessing authority on or before the 25th of every month a return in Form A-4 showing his transactions for the preceding month " ;

(9) for rule 16, the following rule shall be substituted, namely :—

" 16. (1) In the case of untanned hides and/or skins the tax under section 3 (1) shall be levied from the dealer who is the last purchaser in the State not exempt from taxation under section 3 (3) on the amount for which they are bought by him.

(2) (i) In the case of hides or skins which have been tanned outside the State the tax under section 3 (1) shall be levied from the dealer who in the State is the first dealer in such hides or skins not exempt from taxation under section 3 (3) on the amount for which they are sold by him.

[Sri M. A. Manickavelu] [19th August 1955

(ii) In the case of tanned hides or skins which have been tanned within the State, the tax under section 3 (1) shall be levied from a person who is the first dealer in such hides or skins not exempt from taxation under section 3 (3) on the amount for which they are sold by him :

Provided that, if he proves that the tax has already been levied under sub-rule (1) on the untanned hides and skins out of which the tanned hides and skins had been produced, he shall not be so liable.

(3) The burden of proving that a transaction is not liable to taxation under this rule shall be on the dealer " ;

(10) rule 18 shall be omitted ;

(11) in Form A, after column (11), the following columns shall be added, namely :—

" (12) Amount of tax due on the net turnover reported in column (10).

(13) Amount of tax paid." ;

(12) for Form A-4, the following Form shall be substituted, namely :—

" FORM A-4.

Return of turnover in the case of dealers in hides and/or skins whether tanned or untanned.

[*See* rule 15 (2).]

To

The Assessing Authority,

Sir,

I/We furnish below a statement showing my/our turnover for the month of

Statement.

Column number.

(1) Name(s) and Postal address(es) of dealers.

(2) Place or places of business.

Untanned hides and/or skins.

(3) Amount for which untanned hides and/or skins were purchased.

(4) Purchase value of untanned hides and/or skins included in column (3) sold to other dealers in the State not exempt from taxation under section 3 (3).

(5) Purchase value of untanned hides and/or skins turned out for tanning.

(6) Purchase value of untanned hides and/or skins, included in column (3) which were disposed of otherwise than as shown in columns (4) and (5).

19th August 1955] [Sri M. A. Manickavelu]

Column number.

Tanned hides and/or skins.

(7) Amount for which tanned hides and/or skins were sold.

(8) Hides or skins tanned outside the State—

(i) Amount for which such tanned hides or skins which were bought from other dealers in the State who are not exempt from taxation under section 3 (3) were sold;

(ii) the amount for which such tanned hides or skins which were not included in column (8) (i) were sold.

(9) The amount for which hides or skins which were tanned within the State from untanned hides or skins on which tax has already been levied under rule 16 (1) were sold.

(10) Hides or skins tanned within the State from untanned hides or skins on which tax has not been levied under rule 16 (1)—

(i) Amount for which such hides or skins which were bought from other dealers in the State who are not exempt from taxation under section 3 (3) were sold;

(ii) Amount for which such hides or skins which are not included in column (10) (i) were sold.

(11) Net turnover liable to tax—Columns (5) + (6) + (8) (ii) + (10) (ii).

Declaration.

I/We declare that to the best of my/our knowledge and belief the information furnished in the above statement is true and complete and that it relates to the month of . . .

Place
Date

Signature of dealer(s).

NOTE.—(1) In column (2), the addresses of the head office and of all the branches of the business to which the return relates should be noted.

(2) Total of columns (4) to (6) should agree with column (3).

(3) Total of columns (8) to (10) should agree with column (7).

(4) Full details of sales referred to in column (4) and purchases in columns (8) (i), (9) and (10) (i) should be given in a separate annexure";

(13) Form A-5 shall be omitted;

(14) Form A-9 shall be omitted;

(15) in Form B, the word "monthly" occurring in the first sentence shall be omitted;

[Sri M. A. Manickavelu] [19th August 1955

(16) in Form B-1—

(i) for the word "monthly" occurring in the heading, the expression "$\frac{\text{monthly}}{\text{quarterly}}$" shall be substituted;

(ii) for the expressions "month of" and "that month" occurring in the first sentence, the expressions "$\frac{\text{month of}}{\text{quarter ending}}$" and "that $\frac{\text{month}}{\text{quarter}}$" shall respectively be substituted;

(17) after Form B-1, the following Form shall be inserted as Form B-1 A, namely :—

"FORM B-1 A.

Notice of provisional annual demand on the basis of the return.

[*See* rule 11.]

Assessment No.
Registration No. of 19 .

Deputy/Assistant Commercial Tax Officer,

To

(dealer).

Take notice that on the basis of the return in Form A furnished by you for the year ending the 31st March 19 you are liable to pay a tax of Rs. [rupees (in words) only] for the year and that after deducting the total amount of the monthly payments made by you towards the tax for the year, in response to the notice of provisional assessment and demand No. A·2 / , dated and the further tax paid along with the return, you have still to pay a (further) sum of Rs. [rupees (in words) only] according to your own admission. This amount shall be paid within twenty-one days from the date of service of this notice

by money order to the undersigned or
by cheque in favour of the undersigned or
by remittance into the Government treasury at or
by demand draft or crossed postal order or
to the D.C.T.O./A.C.T.O. or
to the headman of or
to the bill-collector

failing which the amount will be recovered as if it were an arrear of land revenue and you will be liable to fine as provided in section 15 of the Madras General Sales Tax Act, 1939.

The above demand is only provisional and any further amount to be paid by you or any refund to be made to you will be communicated after final assessment.

Turnover reported in the return in Form A :—

Nature of goods. (1)	Rate of tax. (2)	Turnover. (3)
	Total ..	

Place

Date *Assessing Authority.*

NOTE.—Where payment is made by cheque, the cheque shall be crossed and shall be such as under the Madras Treasury Code is receivable by the Government treasury concerned." ;

(18) in Form C—

(i) in the heading, for the brackets, words and figures "[*See* rules 12 and 13 (6)]", the brackets, words, letter and figures "[*See* rules 12, 13 (7), 13-A (8) and 15 (6)]" shall be substituted ;

(ii) for the words and figures "the year ending the 31st March 19 ." occurring in the first paragraph, the following shall be substituted, namely :—

"the year ending the 31st March 19
―――――――――――――――――――――
the period up to and inclusive of the date of discontinuance of business."

" Sir, the proposed amendments have been placed on the table of the House. These are all amendments that have been found necessary after examining the working of these rules. For instance, I will mention one or two cases to explain how these amendments are necessary. The first amendment is because of the judgment of the High Court which said that it would be easier to provide that all tanners and hides and skins merchants are made to take out licences. They have said that that procedure would avoid confusion. The licences are made compulsory only in cases where the tanners exported hides and skins. In case of other merchants it is not compulsory. According to this provision, tanners and hides and skins merchants whether they are exporters or not, have all been made liable to take out a licence. There is then another amendment with regard to 'tailoring transaction'. Now the labour part of the transaction is exempt. We are providing that in case of tailoring transaction, 70 per cent of it will not come under taxation, because it represents the labour portion. We are deleting rule 4 (*b*) because it is included in the Act itself. Similarly there are a number of amendments which have arisen due to practical necessity. I hope the House will approve of them." ' "

DEPUTY SPEAKER :—" The motion is before the House for discussion."

* SRI S. RAMALINGAM :—" இந்தத் திருத்தப் பிரேரணையை நாளைக்கு வைத்துக் கொள்ளலாமென்று சொல்லிக்கொள்ள ஆசைப்படுகிறேன். முக்கியமான காரணங்களுக்காக திருத்தங்கள் கொண்டு வரப்பட்டிருக்கிறதென்பதை சபையில் கனம் மந்திரி அவர்கள் விளக்கவில்லை. அவர் விளக்கினாலும் எங்களுக்குப் புரிந்து கொள்ள முடியாது. திருத்தங்களின் காரணத்தை **item** வாரியாக விளக்கி ஒரு **note circulate** செய்தால் அதை நாங்கள் படித்துப் பார்த்து, நியாயமான காரணங்களுக்கான திருத்தங்களாயிருந்தால் அவைகளை ஒப்புக்கொள்ளவும், நியாய விரோதமான காரணங்களுக்காகக் கொண்டுவரப்பட்டிருக்கும் திருத்தங்களை எதிர்க்கவும் ஒரு சந்தர்ப்பம் இருக்கும். முக்கியமான ஓரிரண்டு- திருத்தங்களுக்கு மட்டும் காரணம் காட்டி கனம் மந்திரி அவர்கள் விளக்கிச் சொன்னார். ஆனால் அதைக்கூட அவர் சரியாக விளக்கவில்லை. எங்களுக்கும் சரியாகப் புரியவில்லை. ஆதலால் இந்தத் திருத்தப் பிரேரணையை இன்றைக்கு எடுத்துக்கொள்ள வேண்டாமென்று கேட்டுக்கொள்ளுகிறேன்."

DEPUTY SPEAKER :—' Even in the month of February, they were published in the *Fort St. George Gazette*. They have all been circulated to hon. Members."

THE HON. SRI M. A. MANICKAVELU :—" The amendments were placed on the table of the House. If only the hon. Member had cared to read all of them, he would have understood the position. The difficulty with the hon. Member is that he seems to be bamboozled by the bulk of the amendments now before the House. After all a major portion of them relates to ' forms '. We have prescribed the correct manner in which the forms have got to be filled. Therefore I submit the hon. Member could concentrate on other Bills that are yet to come. It would be worthwhile if he speaks more on other Bills."

The motion was put and carried.

IV.—GOVERNMENT BILLS—*cont.*

(4) THE MADRAS LAND REVENUE (SURCHARGE) AMENDMENT BILL, 1955.

* THE HON. SRI M. A. MANICKAVELU :—" Sir, I beg to introduce the Madras Land Revenue (Surcharge) Amendment Bill [a], 1955, and move—

' *That the Bill be taken into consideration at once.*'

" I am afraid that certain hon. Members are under the impression that this Bill refers to the proposed land revenue surcharge. It is not. This Bill is with reference to the Land Revenue (Surcharge) Act that has already been passed. There is some anomaly difficulty. There is a clash between the meaning in the body of the Act and the illustration that has been given. It is only to clarify that, this Bill has been brought. I will explain it. Suppose A is liable to pay as land revenue Rs. 300. Suppose A and B are both liable to pay Rs. 300 as land revenue on a joint patta. As per the illustration both A and B are liable to pay the surcharge because A pays

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[a] Published in the *Fort St. George Gazette*, dated 23rd February 1955.